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RECOMMENDATIONS TO BE INCORPORATED IN THE REVISED DRAFT
OF WORK PROGRAM FOR WORKING GROUP III WITH
REGARD TO U.S. POLICY ON SOVIET-BLOC
ECONOMIC PENETRATION ACTIVITIES
IN THE FREE WORLD

Explanation

The recommendations in the draft of the ITAC draft paper dated 9 January 1956 were revised by Working Group III at its meeting on 18 January 1956. The secretary has not yet circulated the revised draft. The revised recommendations as set out below were prepared in D/E based upon notes taken during the meeting.

Recommendation

a. Working Group III shall maintain arrangements for the systematic and continuing flow to it of collated and analyzed data on the Soviet bloc economic activities in the Free World, including such special studies on particular problems as may be found necessary.

b. In discharging at this time the functions described in "a" above, Working Group III shall undertake the following reviews:

1. A new study of the current status and impact of Soviet bloc economic activities in Free World countries and correlative aspects of U.S. foreign economic programs as related to economic defense matters, and

2. A review of existing national policy directives to the economic defense community in NSC 152/3 on the subject of Soviet economic activities in the Free World and of the revision of the pertinent paragraphs proposed in the report to the Council on Foreign Economic Policy of 5 July 1956; recommendations based on this review should then be forwarded to the CERP and thence to the NSC.

c. Working Group III shall undertake to the extent of its ability active surveillance of Soviet bloc economic activities in the Free World, examining individual cases in the light of existing economic defense policy responsibilities to determine the existence or threat of excessive reliance on the Soviet bloc as a trading partner, and where excessive dependence is found recommend such action as may appear appropriate.

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